HCC Market Bulletin

July 2023

Defra has recently released the UK abattoir throughput figures for June which revealed that cattle and sheep throughput for the first half of 2023 is higher than year-earlier levels, whilst carcase weights are impacting on overall production volumes. This month's Market Bulletin looks at these figures in greater detail.

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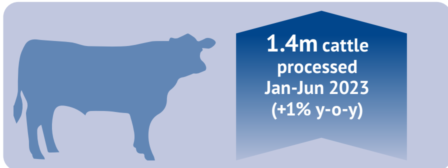
CATTLE

During H1 of 2023, the *total* throughput of cattle at UK abattoirs stood at **1.4 million head** according to the latest Defra figures. When compared to year-earlier levels, this is 1% (or 17,900 head) higher, but similar to the 5-year average for the corresponding 6-month period.

Overall *prime cattle* throughput recorded a year-on-year 1% increase to 1.0 million head, whilst average carcase weights have been generally lighter during H1. Elevated heifer throughput has continued on from 2022 and into 2023. Heifer throughput for H1 is up 3% on the year to total 409,200 head, whilst young bulls are down 1% and steers are relatively stable on the year. Looking closer at the proportion of these prime cattle categories; young bulls have remained constant and account for around 9% of the prime cattle kill, however heifers have been increasing their proportion and accounted for 40% of the kill during H1 (vs 38% in 2021). The UK cow herd is in a state of decline and therefore elevated heifer throughput will do little to reverse this.

Adult cattle numbers recorded a more notable change, with throughput being 2% higher than H1 of 2022 at 297,400 head. Cull cow farmgate prices continue

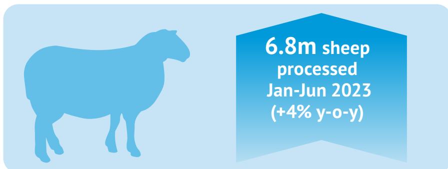


to trend above historical averages, whilst inflationary pressures have only eased for some input costs, and therefore some producers may still be looking to market older, less productive animals. Taking both throughput and carcase weights into account; total production of beef and veal in the UK for H1 of 2023 stood at 450,600 tonnes – which is similar to year-earlier levels.

SHEEP

UK *prime lamb* slaughterings during H1 of 2023 have been strong so far, with March recording the highest monthly throughput level of 1.2 million head. This is a result of a higher carry over Old Season Lambs into 2023 following a dryer summer and higher feed costs last year which delayed lambs coming forward. Although New Season Lambs were generally slower to come forward initially, demand surrounding Easter and Ramadan encouraged animals to come forward, with June recording well over 1.0million head. As a result, over 5.9 million lambs have been processed at UK abattoirs this year – up 4% (or 251,400 head) on 2022 levels, and 6% ahead of the longer term 5-year average. The overall average carcase weight for the year so fa stands at 20.1kg – which is 0.5kg lighter than year-earlier levels.

The throughput of *cull ewes and rams* during H1 was also notably higher than year-earlier levels – up 4% at 823,000 head, with average carcase weights also being lighter at 26.4kg (-1.9kg on the year). Looking at the *total* throughput of sheep and lambs so far in 2023, an additional 281,000 head have been processed at UK

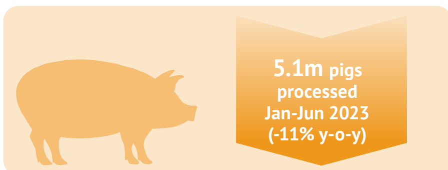


abattoirs, bringing the total to **6.8 million head**. When compared to previous years; current levels are high and some 6% ahead of the 5-year average for the corresponding period. However, due to the lighter carcase weights for both categories of sheep, the total volume of sheep meat produced during H1 of 2023 is only some 1% higher than year-earlier levels at 141,400 tonnes.

PIGS

The *total* throughput of pigs at UK abattoirs during H1 of 2023 stood at **5.1 million head**. This is 11% (or 619,300 head) fewer than in the corresponding period of 2022. When compared to the 5-year average (2018-2022) for H1 historically, the current throughput level is some 8% lower. A tight supply was forecast for 2023, with a notable drop in production compared to year-earlier levels, due to challenges within the industry leading to a contraction within the UK breeding herd as of late. Cost of production for pig producers remains a challenge despite inflationary pressures easing for some input costs.

Clean pig slaughterings stood at 5.0 million head for the period – a decrease of 11% on year-earlier levels, whilst *adult sow and boar* throughput was down by 12% to total 121,000 head. This decrease in pig



throughput during H1 has led to a 13% decrease in total pig meat production during the period at 457,200 tonnes (70,000 tonnes less than H1 of 2022).

CATTLE

Prices – week ending 15th July

The prime cattle average price at auction markets in England and Wales stood at **258.7p/kg**. This was:

- -3.9p on the previous week,
- +14.1p compared with year-earlier levels,
- 62.1p higher than the 5-year average (2018-22 average: 196.5p/kg).

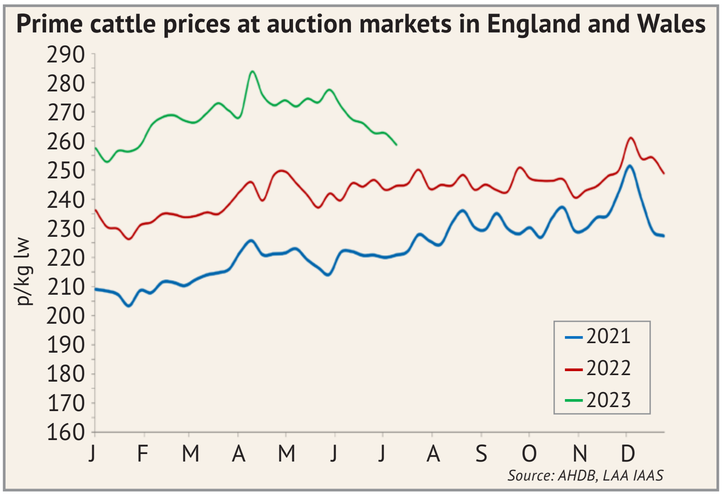
The average deadweight prices in England and Wales for steers stood at **467.4p/kg**. This was:

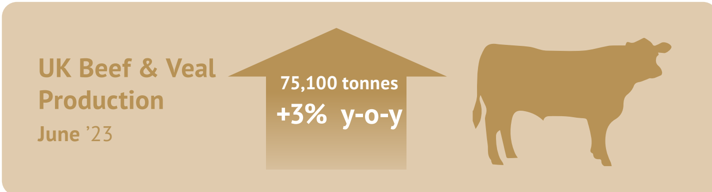
- -5.1p on the previous week,
- 27.1p above year-earlier levels.

The deadweight prices for heifers stood at 465.5p/kg (-4.2p on the week), young bulls at 461.7p/kg (-4.5p), and cull cows at 359.5p/kg (-6.0p).

Throughput – June 2023

- Total cattle throughput at UK abattoirs = 226,800 head – up 4% on the year.
- Total prime cattle throughput = 170,800 head – up 4% on the year.
  - *steers +3%, heifers +5%, and young bulls +1%.*
- Average prime cattle carcase weights = 344.8kg (-4.3 kg on the year).
- Adult cattle throughput = 49,200 head – up 6% on the year.





SHEEP

Prices – week ending 15th July

The prime lamb average liveweight SQQ at auction markets in Wales stood at **266.4p/kg**. This was:

- -28.5p on the previous week,
- -45.4p compared with year-earlier levels,
- 37.7p above the 5-year average (2018-22 average: 228.7p/kg).

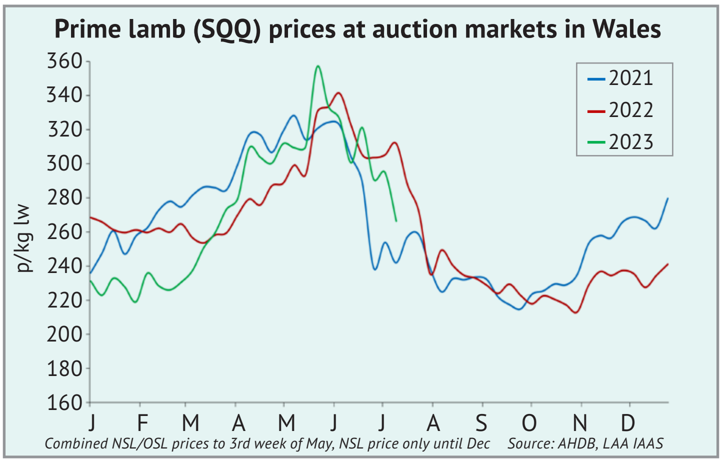
Cull ewe prices at auction markets in Wales averaged **£80.60/head**. This was:

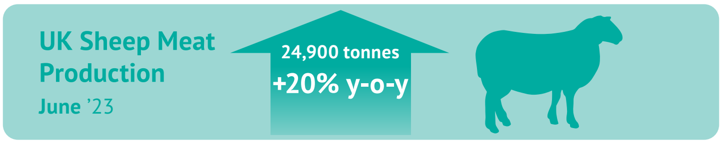
- -£5.50 on the previous week,
- £7.90 below year-earlier levels.

GB deadweight lamb prices averaged 631.0p/kg (+13.9p on the week).

Throughput – June 2023

- Total sheep throughput at UK abattoirs = 1.2 million head – up 21% on the year.
- Lamb throughput = 1.1 million head – up 21% on the year.
- Average lamb carcase weights = 19.6 kg (- 0.1kg on the year).
- Cull ewe and ram throughput = 144,400 head – up 20% on the year.





PIGS

Prices – week ending 8th July

The EU-spec All Pig Price (APP) in GB stood at 222.8p/kg. This was:

- +0.1p on the previous week,
- +28.2p compared with year-earlier levels,
- 56.0p higher than the 5-year average (2018-22 average: 166.7p/kg).

Throughput – June 2023

- Total pig throughput at UK abattoirs = 833,400 head – down 11% on the year.
- Clean pig throughput = 813,700 head – down 11% on the year.
- Average clean pig carcase weights = 88.3kg (-0.3kg on the year)
- Sow and boar throughput = 19,800 head – down 14% on the year.